

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 EA-11 NEA-14 IO-14 ISO-00 FEA-02 AGR-20

CEA-02 CIAE-00 COME-00 DODE-00 FRB-03 H-03 INR-11

INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-03 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 OMB-01 SWF-02 DRC-01 /213 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 7997

INFO AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY MANILA

AMEMBASSY MEXICO CITY

AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: UNCTAD ETRD

SUBJECT: UNCTAD, TDB XIV: RESOLUTION ON US SYSTEM OF GENERALIZED
PREFERENCES

REF: MORRISON-BLACK TELECON, GENEVA 5508, STATE 191957

SUMMARY: CONTACT GROUP DISCUSSED US CHANGES TO SPECIAL COMMITTEE
ON PREFERENCES DRAFT RESOLUTION ON CHARACTERISTICS OF US GSP (TEXT
GIVEN BELOW). GROUP OF 77 PROPOSED AMENDING US DRAFT TO CALL FOR
ACTI

ON

ON LDC CRITICAL COMMENTS ON US SYSTEM. AFTER EXTENSIVE BACK AND
FORTH ON PROPOSED CHANGES IN LANGUAGE, BRAZILIAN DEL, ON HIS OWN
INITIATIVE, PROPOSED LANGUAGE SIMILAR TO OUR ORIGINAL PROPOSAL.
US AGREED TO RECOMMEND LANGUAGE AND OTHER PROPOSED CHANGES TO
US

AUTHORITIES FOR APPROVAL. ACTION ON TWO OTHER PREFERENCES
RESOLUTIONS

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DEFERRED. END OF SUMMARY

ACTION REQUESTED: REQUEST AUTHORIZATION TO ACCEPT COMPROMISE
LANGUAGE PROPOSED BY BRAZIL.

1. US PROPOSED IN CONTACT GROUP THE FOLLOWING MODIFIED VERSION OF
SPECIAL COMMITTEE ON PREFERENCES DRAFT RESOLUTION CONTAINED IN
REPORT
OF COMMITTEE TD/B/C.5 (VI)/MISC. 2 ANNEX II PAGE 99:
THE TRADE AND DEVELOPMENT BOARD,

MINDFUL OF THE OBJECTIVES OF THE GENERALIZED SCHEMES OF PREFERENCES
AS AGREED UPON IN CONFERENCE RESOLUTION 21 (II);

TAKING INTO ACCOUNT THE VIEWS EXPRESSED ON THE SUBJECT BY THE PRE-
REFERENCE-RECEIVING COUNTRIES AT THE SIXTH SESSION OF SPECIAL
COMMITTEE ON PREFERENCES

TAKING NOTE OF THE REVIEW BY THE SIXTH SESSION OF THE SPECIAL COMMITTEE
ON PREFERENCES OF THE GENERALIZED PREFERENCES SCHEME PROPOSED
FOR
ADOPTION BY THE UNITED STATES OF AMERICA IN THE TRADE REFORM BILL
OF OCTOBER 1973.

AWARE OF THE LEGISLATIVE PROCESS UNDERWAY IN THE UNITED STATES OF
AMERICA WITH REGARD TO THE PROPOSAL FOR A UNITED STATES GENERALIZED
SYSTEM OF PREFERENCES;

EXPRESSES THE HOPE THAT THE UNITED STATES OF AMERICA WILL TAKE
INTO ACCOUNT THE NEEDS OF DEVELOPING COUNTRIES AND BEAR IN MIND THE
VIEWS OF DEVELOPING COUNTRIES THAT: WE THEN LISTED FOUR LDC POINTS
AS CONTAINED THEIR ORIGINAL RESOLUTION.

2. GROUP OF 77 SPOKESMAN (INDIA-AIYAR) AGREED TO ACCEPT US DRAFT
WITH THE FOLLOWING MODIFICATIONS TO THE OPERATIVE PARA: " EXPRESSES
THE
FIRM HOPE THAT THE UNITED STATES OF AMERICA WILL TAKE INTO ACCOUNT
THE
NEEDS OF DEVELOPING COUNTRIES BY ENSURING THAT:
(A) APPLICATION OF THE PROPOSED COMPETITIVE NEED CRITERIA IS NOT
AUTOMATIC AND THE CRITERIA ARE REVIEWED WITH A VIEW TO THEIR
ELIMINATION;"
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NOTE: SUBSEQUENT LDC POINTS BASICALLY UNCHANGED.

3. US DEL SAID WE COULD NOT ACCEPT THE DELETION OF THE WORDS IN OUR DRAFT IDENTIFYING THE STATEMENTS IN SUB PARA A, B, C, AND D AS VIEWS OF DEVELOPING COUNTRIES OR THE DETERMINATION OF HOW WE SHOUL

D
TAKE INTO ACCOUNT THE NEEDS OF DEVELOPING COUNTRIES WHICH WOULD
RESUL

T
FROM THE WORDS "BY ENSURING." GROUP OF 77 SPOKESMEN (INDIA, BRAZIL AND ARGENTINA) SUGGESTED SEVERAL VARIATIONS OF LANGUAGE NONE OF WHICH IDENTIFIED SUB PARA AS VIEWS OF LDCS. US CONTINUED TO INSIST THAT THERE WAS NO OTHER WAY WE COULD GO ALONG WITH STATEMENTS IN SUB
PARAS WHICH CALLED FOR SUBSTANTIAL CHANGES IN US LAWS AND POLICIES.

4. BRAZIL (ALENCAR) FINALLY PROPOSED, ON HIS OWN INITIATIVE WITHOUT GROUP OF 77 AGREEMENT, THE FOLLOWING WORDING:

"WILL TAKE INTO ACCOUNT THE NEEDS OF DEVELOPING COUNTRIES AND THEIR VIEWS THAT:" ARGENTINA AND INDIA IMMEDIATELY DESCENDED UPON HIM AND THEN INTERVENED TO SAY THAT THEY MUCH PREFERRED THE "BY ENSURING"
FORMULA OR SOME VARIATION. US SAID IT THOUGHT THE BRAZILIAN FORMULATI
ON
A POSSIBILITY AND WOULD CONSULT ITS AUTHORITIES. PRESIDENT OF CONTACT GROUP (INDONESIA-THAJEB) ASKED US DEL TO REFER BOTH PROPOSED GROUP OF 77 FORMULATIONS TO ITS AUTHORITIES AND ASKED GROUP OF 77 IF IT WAS WILLING TO DEFER FURTHER CONSIDERATION OF RESOLUTION UNTIL US DEL
COU
LD
FET RESPONSE FROM ITS AUTHORITIES. (IN RESPONSE QUERY, WE STATED WE HOPE HAVE WASHINGTON REACTION EARLY NEXT WEEK.) GROUP OF 77 AGREED AND SUGGESTED SECOND RESOLUTION ON US SYSTEM BE DEFERRED WITH VIEW TO THE POSSIBILITY THAT SOLUTION FINALLY AGREED FOR THE FIRST RESOLUTION MIGHT BE APPLIED TO THE SECOND.

5. ON THIRD PREFERENCE RESOLUTION RE GSP IMPROVEMENTS TO ASSIST MOST SERIOUSLY AFFECTED COUNTRIES (MSA'S), GROUP B SPOKESMAN (SWISS-CUTTAT) RECALLED ARGUMENTS MADE AGAINST RESOLUTION IN SPECIAL COMMITTEE ON PREFERENCES AND SUGGESTED QUESTION OF TRADE POLICIES FOR MSA'S SHOULD BE DEALT WITH IN FRAMEWORK OF WHOLE SCOPE OF MEASURES FOR MSA'S. GROUP OF 77 FOUND VIRTUE IN SUGGESTION THAT A BROADER TDB RESOLUTION ON MSA'S WOULD BE MORE APPROPRIATE AND WERE CLEARLY MORE THAN HAPPY TO DROP THE RESOLUTION.

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SRI LANKA WAS NOT PRESENT.

6. WHEN CONTACT GROUP RESUMES, WE WILL CONTINUE TO IMPRESS UPON

LDCS UNDESIRABILITY ANY RESOLUTION CRITICAL OF US SCHEME AT THIS
DELICATE STAGE LEGISLATIVE PROCESS. HOWEVER, IF THEY INSIST ON
RESOLUTION SETTING FORTH THEIR VIEWS, REQUEST AUTHORIZATION GO
ALONG
WITH BRAZILIAN PROPOSAL PARA 4 ABOVE. WE BELIEVE IT ACCEPTABLE
AND HOPE IT WILL NOT BE REPUDIATED BY OTHER LDCS.
DALE

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*** Current Classification *** LIMITED OFFICIAL USE

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